# Adopt realistic approach to E-business

E-BIZ

JIM CARROLL

In the early days of electronic business — that is, around 1994 — mainstream media alerted people to the huge potential to be found in the emerging Internet, likening it to a modern-day mother lode.

"The Internet is the gold rush of our times," one headline read. Many others followed in a similar vein. The Globe and Mail reported in January, 1996: "The Internet explosion has been likened to a gold rush, with companies large and small racing to snag a piece of the action."

That type of coverage continues to this day in much of the business and high-technology media, fuelled by the hysteria surrounding illogically valued Internet stocks. There is an almost endless stream of stories about how easy it is to do business on the Internet and the magical benefits of conducting transactions on-line.

As a result of the current Internet frenzy, many entrepreneurs are being led down a garden path when it comes to E-business. They think that achieving on-line success is simple: just set up a Web site and watch the dollars flow in.

It's a major trap that you should avoid. Don't delude yourself into thinking on-line business is easy. Don't fall for the hype.

If you plan on exploring the world of E-business, be realistic about what it takes. Those who have implemented successful strategies know that it involves a lot of money, plenty of hard work, real commitment and a strong will. Even then, the returns might be a long time coming.

Much may go wrong. You may end up investing a lot of money in an on-line store, only to realize that very few of your customers are ready to buy through cyberspace. You may spend a fair bit of time building a sophisticated Web site for marketing purposes, then discover months later that traffic to it is slight. Or you may be seduced by the sophisticated Internet and E-business technology you use and fritter away many precious hours that should have been spent elsewhere.

In the meantime, you've neglected your regular business activities and may find your small business in a rather precarious position.

But don't think for a minute that the Internet and E-business aren't important. Indeed, getting involved now may be fundamental to the continuing survival of a small business in the medium to long term, given that the global economy is slowly and inevitably migrating to the Internet.

But as you get involved, recognize what you are up against.

That's why in preparing your Internet strategy, you should carefully assess the weak points. Where can your strategy go wrong? What are the potential vulnerable spots? What can you do to protect yourself from anticipated problems in your strategy? Where should you be aggressive, and where should you be cautious?

The Internet is littered with the broken dreams of many entrepreneurs. In most cases, those who fell for the hoopla failed to approach E-business with a careful, well-thought out strategy that clearly assessed the risks and examined the potential for success of doing business in the wired world.

*Jim Carroll is co-author of* Small Business Online — A Strategic Guide for Canadian Entrepreneurs, *and can be reached by E-mail at jcarroll@jimcarroll.com*

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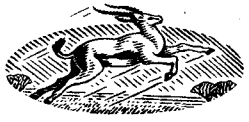

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